House
REPUBLICAN
Conference

FloorPrep

Legislative Digest

Wednesday, October 13, 1999

J.C. Watts, Jr.
Chairman
4th District, Oklahoma

House Meets at 10:00 a.m. for Legislative Business

Anticipated Floor Action:
H.R. 2561—FY 2000 Department of Defense Appropriations Act (Conference Report)
H.R. 1993—Export Enhancement Act

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H.R. 2561—FY 2000 Department of Defense Appropriations Act (Conference Report)

Floor Situation: The House will consider the conference report to H.R. 2561 as its first order of business today. Conference reports are privileged and may be considered anytime three days after they are filed; they are debatable for one hour and may not be amended. Yesterday, the Rules Committee granted a rule waiving all points of order against the conference report and its consideration.

Summary: The conference report to H.R. 2561 appropriates $267.8 billion in new FY 2000 budget authority—$866 million less than the House-passed bill, $1.2 billion more than the FY 1999 level (which included $16.1 billion in emergency appropriations), and $4.5 billion more than the president's request—to sustain military personnel, develop and purchase military hardware, and maintain the operational readiness of U.S. forces. Overall, the bill appropriates: (1) $73.9 billion for military personnel (nearly the same as the House-passed level after including the 4.4 percent pay raise appropriated in *P.L. 106-31*); (2) $92.2 billion for operations and maintenance and working capital funds ($1.5 billion less than the House-passed bill); (3) $53 billion for weapons procurement ($45 million less than the House-passed bill); (4) $37.6 billion for research and development ($431 million more than the House-passed bill); and (5) $13.2 billion for other DOD programs ($285 million more than the House-passed bill).

The conference report does not make appropriations for military construction, military family housing, civil defense, or nuclear activities, which are funded in other bills. Specifically, the measure provides:

* $1.2 billion for RDT&E on the F-22. The conference report appropriates $1 billion for continued acquisition of F-22 test aircraft in FY 2000 and advance procurement for FY

2001 production aircraft. Up to $277 million of these funds may be used for advance procurement for FY 2001 aircraft if certain milestones are met. The program may not enter into "low-rate initial production" unless it meets certain requirements. Finally, the conference report provides $300 million to cover contract termination requirements for the remainder of the fiscal year, which if not used next year may be used for other F-22 program requirements;

* $165 million to boost the military pay raise to 4.8 percent (thus increasing the 4.4 percent raise that was funded in the FY 1999 emergency supplemental);

* $460 million for Former Soviet Union Threat Reduction;

* $202 million for 19 UH-60 Blackhawk helicopters;

* $2.7 billion for 36 F-18E/F fighters;

* $856 million for 11 V-22 Osprey aircraft;

* $749 million for a New Attack Submarine;

* $3.6 billion for programs managed by the Ballistic Missile Defense Organization, which include: (1) $837 million for National Missile Defense; (2) $560 million for the Army Theater High Altitude Air Defense (THAAD) program; and (3) $380 million for the Navy Theater-wide, "Upper-Tier" missile program;

* $848 million for DOD drug interdiction activities; and

* $3 billion for 15 C-17 airlift aircraft.

The House passed H.R. 2561 by a vote of 379-45 on July 22, 1999. The Senate passed its version of the measure (S. 1122) by a vote of 93-4 on June 8, 1999.

Additional Information: See *Legislative Digest,* Vol. XXVIII, #29, Pt. II, October 12, 1999 and #21, July 16, 1999.

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H.R. 1993—Export Enhancement Act

Floor Situation: The House will consider H.R. 1993 after it completes consideration of the conference report to H.R. 2561. Yesterday, the Rules Committee granted a modified open rule that provides one hour of general debate, equally divided between the chairman and ranking minority member of the International Relations Committee. The rule makes in order a committee amendment in the nature of a substitute as base text. The rule also makes in order only those amendments preprinted in the *Congressional Record.* The chairman of the Committee of the Whole may postpone votes and reduce the voting time on a postponed vote to five minutes, so long as it follows a regular 15-minute vote. Finally, the rule provides one motion to recommit, with or without instructions.

Summary: H.R. 1993 reauthorizes most commercial export promotion programs involving the U.S. government, including the Overseas Private Investment Corporation (OPIC), the Trade and Development Agency (TDA), and the export promotion functions of the International Trade Administration (ITA) at the Commerce Department.

The bill reauthorizes OPIC until 2003 or four more years after enactment of the bill. It does not raise OPIC's maximum contingent liability. This political risk insurance covers three general areas—expropriation (loss of an investment due to nationalization or confiscation by a foreign government), currency inconvertibility, and the loss of assets or income due to war or terrorism.

The bill authorizes $48 million for FY 2000 for the TDA. The bill also codifies appropriation language requiring the TDA to impose "success" fees on companies that obtain trade deals because of TDA assistance. A success fee is a reimbursement paid to the TDA for conducting a feasibility study.

H.R. 1993 authorizes $294 million for the ITA. Of this amount, the bill authorizes $202 million for ITA's U.S. and Foreign Commercial Service (U.S. & FCS) program, $24 million for its Market Access and Compliance program, and $68 million for its Trade Development program. It also directs the Assistant Commerce Secretary and the director general of the U.S. & FCS to station employees in at least 10 sub-Saharan African countries. It requires the program to station at least one employee in each South and Central American country and station an adequate number of employees throughout the Caribbean.

The bill requires the assistant secretary and the director general to identify and report on U.S. goods and services that are not being exported to Latin America and sub-Saharan Africa but are being provided by competitor nations, and take initiatives to secure greater market access for U.S. exporters of these goods and services. The ITA must develop a "Global Diversity and Urban Export Initiative" to increase exports from minority-owned businesses, particularly from inner city areas; to this end, the measure allows the ITA to advertise in media publications and broadcasts.

CBO estimates that enactment will cost $1.6 billion in discretionary outlays over the next five years. The bill affects direct spending, so pay-as-you-go procedures apply. The measure was introduced by Mr. Manzullo and was reported by the International Relations Committee by a vote of 27-8 on July 1.

Views: Both the Republican Leadership and the Clinton Administration support passage of H.R. 1993.

Amendments: At press time, the *Legislative Digest* was aware of the following amendments to H.R. 1993:

Mr. Gejdensen and Ms. Lee may offer one of three amendments (#1-#3) to prohibit the OPIC board of directors from voting in favor of any proposed OPIC action that is likely to have a significant adverse impact on the environment, unless an environmental impact assessment from the project has been made available to the board and the public at least 60 days before the vote. The amendment also requires OPIC to report to Congress no later than 120 days after enactment on its procedures for giving assistance. ***Staff Contact: Amos Hochstein (Gejdenson), 5-3358***

Mr. Gilman may offer an amendment (#4) to modify language regarding the ITA's "Global Diversity and Urban Initiative" to clarify that the program should focus on increasing exports from businesses that, because of their minority ownership, may have been excluded from export trade. ***Staff Contact: Frank Record, x5-5021***

Mr. Rohrabacher may offer an amendment (#5) to prohibit OPIC from insuring or financing any Category A investment project unless all environmental statements and initial audits regarding the project are made available for a public comment period of no less than 60 to 120 days. ***Contact: x5-2451***

Mr. Rohrabacher may offer an amendment (#6) to prohibit OPIC from insuring or financing any investments in foreign manufacturing enterprises. ***Contact: x5-2451***

Mr. Sanford may offer an amendment (#8) to change the authorization date for this bill from 2003 to 2000, thus making the bill a one-year authorization. ***Staff Contact: Jessica Gonzales, 5-3176***

Mr. Terry may offer an amendment (#9) to state the sense of Congress that OPIC should address concerns that it does not promptly dispose of legitimate claims regarding projects it insures or guarantees. ***Staff Contact: Mark Anderson, 5-4155***

Mr. Terry may offer an amendment (#10) to require that OPIC resolve a claim within 90 days of its filing. This period may be extended for an additional 60 days to allow OPIC to gather supplemental information regarding the claim. OPIC must pay prime rate interest on any settlement for each day's delay beyond the deadline. ***Staff Contact: Mark Anderson, 5-4155***

Mr. Terry may offer an amendment (#11) to require OPIC to publicly disclose the intervention of any federal agency (via the *Federal Register*) in a pending claim within 30 days. ***Staff Contact: Mark Anderson, 5-4155***

Mr. Traficant may offer an amendment (#12) to require the ITA to report to Congress on countries in which goods and services produced in the U.S. do not have market access. Each report should assess potential market access, criteria for measuring market access, compliance with trade agreements, and actions taken by the ITA on behalf of U.S. companies. ***Staff Contact: Kim Harris Bliton, x5-5261***

Additional Information: See *Legislative Digest*, Vol. XXVIII, #29, October 8, 1999.

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